

Message Text

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71

ACTION OPIC-12

INFO OCT-01 ARA-16 ADP-00 EB-11 L-03 COME-00 AID-20 INT-08

SCEM-02 CIEP-02 TRSE-00 INR-10 CIAE-00 NSA-02 /087 W

----- 121877

R 021620Z AUG 73

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 5077

C O N F I D E N T I A L SANTIAGO 3429

PASS OPIC, EXIM BANK

E.O. 11652: GDS

TAGS: EFIN, CI

SUBJECT: PETROQUIMICA DOW S.A.

REF: STATE 146466

1. I SHALL RAISE QUESTIONS IN PARA REFTEL INFORMALLY
WITH MIN FINANCE FLORES OR OTHER SUITABLE REPRESENTATIVE AT
EARLIEST OPPORTUNITY.

2. IF BOTH SIDES AGREE THAT RESUMPTION OF TALKS WOULD BE
USEFUL, EMBASSY THINKS ANY MUTUALLY CONVENIENT DATE AFTER
AUG. 16-17 DEBT/COMPENSATION BILATERALS BUT BEFORE OCT.
PARIS CLUB MEETING WOULD BE APPROPRIATE.

3. ACCORDINGLY LOCAL DOW LAWYER, ALBERTO ORREGO, CONCEPCION
PLANT ABOUT JULY 1 BEGAN RECEIVING ETHYLENE SUPPLIES AGAIN
FROM ENAP (SEE SANTIAGO 1535). HOWEVER, ORREGO SAYS DUE
LACK TECHNICIANS, MANAGERS AND LABOR DISCIPLINE, OPERATION
IS CHAOTIC AND OUTPUT ONLY 20-25 PERCENT OF PRE-TAKEOVER
LEVEL.

4. COMMENT: WE SUSPECT GOC WILL ONLY BE INTERESTED IN
REACHING SETTLEMENT WITH DOW IF COMPANY IS WILLING TO OFFER
ADDITIONAL CAPITAL OR TECHNICAL ASSISTANCE NEED TO RESTORE
PETRODOW AND PETROQUIMICA PRODUCTIONS. PAST
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EXPERIENCE HERE INDICATES THAT NEGOTIATIONS OF THIS KIND ARE

LIKELY TO BE TIME-CONSUMING AND THAT GOC REPS WILL
NOT HAVE FULL POWERS TO CONCLUDE SETTLEMENT.
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NNN

Message Attributes

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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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